Press Release

First-Half 2014 Results

Strong + 10.3% like-for-like growth and sustained improvement in operating margin

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PARIS, JULY 28, 2014 – The Board of Directors of Teleperformance, the global leader in outsourced multi-channel customer experience management, met today and reviewed the consolidated financial statements for the six months ended June 30, 2014.

SUSTAINED GROWTH IN RESULTS

- Revenue: €1,245.0 million, up + 4.1% year-on-year
  Like-for-like growth: + 10.3% year-on-year
- EBITA before non-recurring items: €100.2 million
  EBITA margin before non-recurring items: 8.1% versus 8.0% in H1-2013
- Diluted earnings per share: €1.00, up + 6.4% year-on-year

SIGNIFICANT STRENGTHENING OF THE GROUP'S GLOBAL MARKET LEADERSHIP

- Creation of more than 4,000 workstations in key markets in the first half
- North American market presence strengthened with the signing of an agreement to acquire Aegis USA Inc. (US$400 million in revenue)
- Acquisition of City Park Technologies in the United Kingdom (£17 million in revenue)

2014 OBJECTIVES RAISED

- Like-for-like revenue growth of more than + 7%, instead of + 5% to + 7% previously
- EBITA margin before non-recurring items of more than 9.7% instead of between 9.5% and 9.7% previously, following consolidation of newly acquired Aegis USA Inc. as from the third quarter*

**Subject to regulatory approval*

INTERIM FINANCIAL HIGHLIGHTS

€ millions	H1 2014	H1 2013	*% change*
	€1 = US $1.37	€1 = US $1.31	
Revenue	**1,245.0**	**1,196.1**	***+ 4.1%***
EBITA before non-recurring items*	**100.2**	**95.9**	***+ 4.5%***
% of revenue	8.1%	8.0%	
EBIT	**88.9**	**83.0**	***+ 7.1%***
Net profit – attributable to shareholders	**57.0**	**53.1**	***+ 7.3%***
Diluted earnings per share (€)	**1.00**	**0.94**	***+ 6.4%***

*Earnings before interest, taxes, amortization of acquired intangible assets and non-recurring items

Paulo César Vasques, Chief Executive Officer of Teleperformance, said:

"Thanks to our great people and the strong confidence of our clients, we turned in a good first half, with a + 10.3% like-for-like increase in revenue and a further improvement in our EBITA margin before non-recurring items, to 8.1%.

This good performance was led by the robust growth in our operations in the United States, in particular in new business sectors. This reflects the potential and the dynamism of the North American market,which is definitely targeted by the Group's growth strategy. In continental Europe, the Middle East and Africa, we benefited from the fast growth in our BPO activities in the field of outsourced visa delivery solutions, with the startup during the period of a very large contract with the British government.

In line with our full-year objectives, we are stepping up our global leadership thanks to targeted acquisitions in our high potential markets. As announced in early July, we are strengthening our presence in the US market with the signature of an agreement to acquire Aegis USA Inc., a major outsourcing and technology company in the United States, the Philippines and Costa Rica. The transaction, which will immediately create value for our shareholders, is seamlessly aligned with our long-term growth strategy. When it is completed, we will become the first company in our industry to exceed US$4 billion in revenue.

I am also very pleased to announce the acquisition of City Park Technologies, a high quality UK customer experience provider, which has enabled us to strengthen our position among the top 3 in the UK market. I warmly welcome to the Teleperformance family the new employees who helped build the successful relationships that we observed.

Based on our interim figures, we are raising our full-year revenue growth target to more than + 7% like-for-like and our objective for EBITA margin before non-recurring items to more than 9.7%, assuming Aegis USA is consolidated in the third quarter. "*

Subject to regulatory approval

First-half and second-quarter 2014 revenue

Consolidated revenue

Consolidated revenue amounted to €1,245.0 million in the first half of 2014, an increase of + 4.1% as reported and of + 10.3% at constant scope of consolidation and exchange rates (like-for-like).

Changes in exchange rates had a €67.8 million negative impact on reported revenue that mainly reflected the decline in the Brazilian real, US dollar, and Argentine and Colombian pesos against the euro.

Consolidated revenue for the second quarter stood at €635.1 million, an increase of + 5.1% as reported and of + 11.6% like-for-like.

Revenue by region

First-half 2014 revenue was primarily shaped by the steep increase in business in the English speaking market & Asia-Pacific region (especially in the United States) and in the Continental Europe & MEA region, which is benefiting from the fast ramp-up of business at the TLScontact subsidiary, specialized in managing visa applications.

The worldwide geographic mix continues to strengthen, with 70% of revenue generated in predominant markets delivering profitability and growth, compared to 65% in 2010. During the period, the English speaking market & Asia-Pacific region represented 39.7% of consolidated revenue, the Ibero-LATAM region 29.5% and Continental Europe & MEA 30.8%.

€ millions	**2014**	**2013**	***% change***	
			Reported	*Like-for-Like*
First-half				
English-speaking market & Asia-Pacific	494.6	454.8	*+ 8.8%*	*+ 13.7%*
Ibero-LATAM	367.5	394.4	*(6.8)%*	*+ 3.9%*
Continental Europe & MEA	382.9	346.9	*+ 10.4%*	*+ 12.8%*
Total	**1,245.0**	**1,196.1**	***+ 4.1%***	***+ 10.3%***
Second Quarter				
English-speaking market & Asia-Pacific	249.5	224.2	*+ 11.3%*	*+ 17.6%*
Ibero-LATAM	187.9	202.5	*(7.2)%*	*+ 2.8%*
Continental Europe & MEA	197.7	177.4	*+ 11.4%*	*+ 13.5%*
Total	**635.1**	**604.1**	***+ 5.1%***	***+ 11.6%***
First Quarter				
English-speaking market & Asia-Pacific	245.1	230.6	*+ 6.3%*	*+ 9.9%*
Ibero-LATAM	179.5	191.9	*(6.4)%*	*+ 5.1%*
Continental Europe & MEA	185.3	169.5	*+ 9.3%*	*+ 12.0%*
Total	**609.9**	**592.0**	***+ 3.0%***	***+ 9.1%***

- **English-speaking market & Asia-Pacific**

Compared with the prior year, regional revenue rose by + 8.8% as reported and + 13.7% like-for-like in the first half and by + 11.3% as reported and + 17.6% like-for-like in the second quarter alone.

In the United States, growth is gaining momentum, led by the many new contracts won since last year, especially in the health, banking, insurance and retail sectors.

Business is expanding quickly in the United Kingdom, thanks to the sustained diversification of the business base in the key public sector and retail markets.

The pace of growth also remains strong in the Asia-Pacific region, particularly in China where Teleperformance has successfully forged preferred partnership relations with locally based North American multinationals.

- **Ibero-LATAM**

Operations in the Ibero-LATAM region delivered satisfactory growth for the first half, with a like-for-like increase of + 3.9% despite a high prior-year basis of comparison. As reported, however, revenue was down 6.8%, reflecting the unfavorable currency environment during the period, notably with the Brazilian real losing more than 15% and the Argentine peso nearly 40% against the euro compared with first-half 2013.

In the second quarter, regional revenue rose by + 2.8% like-for-like, but declined by 7.2% as reported due to the adverse currency effect.

Mexico and Portugal reported the fastest growth, while business in Argentina continued to suffer from the lackluster economy. The slowdown in business in Brazil, which emerged in the final quarter of 2013, continued over the period.

- **Continental Europe & MEA**

Regional revenue rose by + 12.8% like-for-like and by + 10.4% as reported in the first half and by + 13.5% like-for-like and + 11.4% in the second quarter alone.

This performance is being led by the sustained, solid sales drive with global customers, notably in the Netherlands, Russia and Southern Europe (Greece and Turkey), by the ongoing upturn in growth in several countries such as Italy, and by the fast first-half ramp-up in business at the TLScontact subsidiary, specialized in managing visa applications. In fact, TLScontact's contribution for the first-half more than doubled year-on-year.

The faster growth in the second quarter compared with the prior-year period primarily resulted from the start-up of a major contract signed in late 2013 with UK Visas and Immigration (UKVI), covering the Euro-Med and Africa regions.

FIRST-HALF 2014 RESULTS

EBITA before non-recurring items stood at €100.2 million, up + 4.5% from the €95.9 million reported in first-half 2013. EBITA margin before non-recurring items widened to 8.1% from 8.0% a year earlier.

EBITA BEFORE NON-RECURRING ITEMS BY REGION – EXCLUDING HOLDING COMPANIES

€ millions	**H1 2014**	**H1 2013**
English-speaking market & Asia-Pacific	46.6	39.8
% of revenue	**9.4%**	**8.8%**
Ibero-LATAM	36.6	44.6
% of revenue	**9.8%**	**11.3%**
Continental Europe & MEA	3.9	0.4
% of revenue	**1.0%**	**0.1%**
Total – including holding companies	100.2	95.9
% of revenue	**8.1%**	**8.0%**

The **English-speaking market & Asia-Pacific** region saw its EBITA margin before non-recurring items improve to 9.4% from 8.8% in first-half 2013, lifted by the sharp growth in business volumes and a favorable transaction effect, mainly due to the weakening of the Philippine peso against the US dollar over the period.

In the **Ibero-LATAM region,** EBITA margin before non-recurring items is also high, at 9.8%, while down compared to first half 2013. EBITA before non-recurring items contracted to €36.6 million from €44.6 million in first-half 2013, mainly as a result of an unfavorable currency environment with the decline in the Brazilian real and the Colombian and Mexican pesos against the euro.

With EBITA before non-recurring items of €3.9 million, representing 1.0% of revenue, the **Continental Europe & MEA** region confirmed the return to breakeven reached in first-half 2013. The Group benefited from a speed-up in business growth in a certain number of countries in Southern and Northern Europe and the fast expansion of TLScontact's operations.

Reported EBIT amounted to €88.9 million, up + 7.1% from €83.0 million in first-half 2013. Growth at constant exchange rates would have come to + 9.5%, revealing a pro forma currency translation impact of nearly €6 million due to the appreciation of the euro.

First-half 2014 EBIT reflects the amortization of intangible assets in an amount of €4.0 million versus €7.3 million a year earlier, as well as the following non-recurring expenses:

- €2.9 million in accounting costs on the performance share plans set up in 2013.
- €4.4 million in other non-recurring costs, of which the cost of acquiring Aegis USA Inc.

Net financial expense stood at €5.1 million, versus €4.1 million in first-half 2013.

Income tax expense amounted to €26.3 million, corresponding to an effective tax rate of 31.4%, versus 32.6% in the prior first half.

Minority interests in net profit amounted to €0.4 million, versus €0.1 million last year.

Net profit attributable to shareholders rose by + 7.3% over the period, to €57.0 million from €53.1 million in first-half 2013. Diluted earnings per share stood at €1.00, up + 6.4% year-on-year.

CASH FLOWS AND FINANCIAL STRUCTURE

Cash flow after tax rose to €107.9 million from €101.7 million in first-half 2013.

Consolidated working capital requirement decreased by €17.3 million, compared with a €33.1-million decrease in the prior-year period. This good performance, delivered despite the sustained growth in revenue (up €49 million), reflected the success of the policy deployed to improve the Group's liquidity.

Net capital expenditure amounted to €76.1 million, or 6.1% of revenue, versus €56.5 million and 4.7% in first-half 2013. In 2014, consolidated capital expenditure has been concentrated in the first half, with a focus on i) creating or expanding contact centers serving key markets in the Group's three regions and ii) supporting the start-up of the UKVI contract.

Despite these substantial growth capex commitments, **free cash flow** ended the period at €14.5 million versus €12.1 million in first-half 2013.

After the payment of €45.7 million in dividends, net cash stood at €66.6 million at June 30, 2014. The Group's **financial structure** therefore remains very solid, with **equity** of €1,438 million at June 30, 2014.

RECENT DEVELOPMENTS

- ### Expansion and creation of contact centers to support organic growth in promising markets

In first-half 2014, Teleperformance continued to deploy its strategy, by expanding in a large number of key countries with the opening of four new facilities, in the United States, Mexico, the United Kingdom and Russia, and the installation of additional workstations in existing facilities, in the United States, the Philippines, China and India. In all, more than 4,000 new workstations were installed during the first half.

The TLScontact subsidiary also opened a large number of visa application processing centers, enlarging the Group's footprint in 16 new countries in Europe (around the Mediterranean Basin and in Eastern Europe) and Africa.

- ### Acquisition of Aegis USA Inc.

On July 9, 2014, Teleperformance announced the signing of an agreement to acquire Aegis USA Inc., a major outsourcing and technology company in the United States, the Philippines and Costa Rica. The consideration for the transaction will be US$610 million, payable at closing.

The business to be acquired represents total annual revenue of US$400 million and more than 19,000 full time employees across 16 centers in the three countries, serving a large portfolio of premium clients in various key growing industries in the US market.

Following the transaction, the Group's consolidated debt-to-EBITDA ratio will remain below 1.

The transaction is expected to close during the third quarter of 2014, subject to receipt of certain regulatory approvals and other customary closing conditions.

- ### Acquisition of City Park Technologies

Teleperformance today announces the acquisition of City Park Technologies, a provider of outsourced contact center services in a wide range of industries, including financial services, insurance and utilities.

Based in Glasgow and widely recognized in the UK market, the company has £17 million in revenue and operates nearly 1,000 workstations at three facilities in Scotland.

2014 OUTLOOK

Given the good first-half performance, Teleperformance has raised its full-year like-for-like revenue growth target to more than + 7%.

In addition, based on the consolidation of Aegis USA Inc., scheduled for the third quarter pending regulatory approval, and the first-half performance, the Group is also raising its annual target for EBITA before non-recurring items to more than 9.7%.

VIDEO WEBCAST WITH ANALYSTS AND INVESTORS

Date: July 28, 2014 at 6:15 p.m. (CEST)
Presentation materials will also be available on the Teleperformance website (www.teleperformance.com).

INVESTOR CALENDAR

November 12, 2014: Third-quarter 2014 revenue

ABOUT TELEPERFORMANCE GROUP

Teleperformance, the worldwide leader in outsourced multichannel customer experience management, serves companies around the world with customer care, technical support, customer acquisition and debt collection programs. In 2013, it reported consolidated revenue of €2,433 million ($3,236 million, based on €1 = $1.33).

The Group operates 110,000 computerized workstations, with close to 149,000 employees across around 230 contact centers in 62 countries and serving more than 150 markets. It manages programs in 63 languages and dialects on behalf of major international companies operating in a wide variety of industries.

Teleperformance shares are traded on the Euronext Paris market, Compartment A, and are eligible for the deferred settlement service. They are included in the following indices: SBF 120, STOXX 600 and France CAC Mid & Small. Symbol: RCF - ISIN: FR0000051807 - Reuters: ROCH.PA - Bloomberg: RCF FP

For further information, please visit the Teleperformance website at www.teleperformance.com.

CONTACT

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CONSOLIDATED STATEMENT OF INCOME

€ millions

	H1 2014	*H1 2013*
Revenues	**1 245**	**1 196**
Other revenues	3	5
Personnel	-868	-849
Share-based payments	-3	-4
External expenses	-226	-201
Taxes other than income taxes	-6	-7
Depreciation and amortization	-50	-49
Amortization of intangible assets acquired as part of a business combination	-4	-4
Impairment loss on goodwill	0	-3
Other operating income	2	2
Other operating expenses	-4	-3
Operating profit	**89**	**83**
Income from cash and cash equivalents	1	1
Interest on financial liabilities	-6	-5
Net financing costs	**-5**	**-4**
Other financial income	15	11
Other financial expenses	-15	-11
Financial result	**-5**	**-4**
Profit before taxes	**84**	**79**
Income tax	-27	-26
Net profit	**57**	**53**
Net profit - Group share	**57**	**53**
Net profit attributable to non-controlling interests	0	0
Basic earnings per share (in €)	**1.00**	**0.96**
Diluted earnings per share (in €)	**1.00**	**0.94**

NB: half year financial statements at 30 June 2013 and 30 June 2014 have been subject to limited audit review.

CONSOLIDATED BALANCE SHEET

€ millions

ASSETS	*June 30, 2014*	*December 31, 2013*
Non-current assets		
Goodwill	681	674
Other intangible assets	77	78
Property, plant and equipment	305	287
Financial assets	35	33
Deferred tax assets	36	31
Total non-current assets	1,134	1,103
Current assets		
Current income tax receivable	43	38
Accounts receivable - Trade	515	498
Other current assets	106	73
Other financial assets	21	15
Cash and cash equivalents	177	164
Total current assets	862	788
Total assets	**1,996**	**1,891**

EQUITY AND LIABILITIES	*June 30, 2014*	*December 31, 2013*
Equity		
Share capital	143	143
Share premium	575	576
Translation reserve	-43	-65
Other reserves	759	738
Equity attributable to owners of the company	1,434	1,392
Non-controlling interests	4	4
Total shareholder's equity	1,438	1,396
Non-current liabilities		
Long-term provisions	9	9
Financial liabilities	18	21
Deferred tax liabilities	38	37
Total non-current liabilities	65	67
Current liabilities		
Short-term provisions	12	14
Current income tax	31	23
Accounts payable - Trade	97	87
Other current liabilities	261	249
Other financial liabilities	92	56
Total current liabilities	493	429
Total equity and liabilities	**1,996**	**1,891**

CONSOLIDATED CASH FLOW STATEMENT

€ millions

Cash flows from operating activities	*H1 2014*	*H1 2013*
Net profit - Group share	57	53
Net profit attributable to non-controlling interests	0	0
Income tax expense	27	26
Depreciation and amortization	54	54
Impairment loss on goodwill	0	3
Change in provisions	1	-2
Share-based payments	3	4
Unrealized gains and losses on financial instruments	-5	3
Income tax paid	-29	-39
Internally generated funds from operations	***108***	***102***
Change in accounts receivable - trade	-13	-6
Change in accounts payable - trade	8	-12
Changes in other accounts	-12	-15
Change in working capital requirements relating to operations	***-17***	***-33***
Net cash flow from operating activities	**91**	**69**
Cash flows from investing activities		
Acquisition of intangible assets and property, plant and equipment	-77	-57
Proceeds from disposals of intangible assets and property,plant and equipment	1	1
Repayments of loans	1	1
Net cash flow from investing activities	**-75**	**-55**
Cash flows from financing activities		
Acquisition of treasury shares	-1	1
Changes in ownership interest in controlled entities	-7	-11
Dividends paid to parent company shareholders	-46	0
Proceeds from new borrowings	127	6
Repayment of borrowings	-84	-24
Net cash flow from financing activities	**-11**	**-28**
Change in cash and cash equivalents	***5***	***-14***
Effect of exchange rates on cash held and reclassifications	*4*	*3*
Net cash at January 1	**160**	**160**
Net cash at June 30	**169**	**149**